

Questar Gas wants another rate increase

Wednesday, May 11, 2005

By The Associated Press

It would cost typical household about \$11 a month

SALT LAKE CITY -- Questar Gas is seeking a rate increase that would cost the typical household about \$11 more per month.

The rate increase is to offset the higher cost of the natural gas it buys from producers. The utility is seeking Utah Public Service Commission approval to increase its rates by \$115 million.

The 14.4 percent increase, which could become effective June 1 would be Questar's third-largest percentage increase in two decades.

Passthrough rate adjustments for the changing prices paid by Questar buys typically are approved with little debate.

"It is usually pretty easy for the company to establish to everyone's satisfaction what it pays for the natural gas it supplies to its customers," said Dee Jay Hammon, chairman of the Utah Committee of Consumer Services, which represents the interests of residents, small businesses and farmers in rate cases.

Questar's passthrough rate case follows a 28.6 percent increase in early 2001 and a 24.6 percent increase in October 2003. Questar purchases about 58 percent of its natural gas on the volatile commodity markets, and the remaining 42 percent comes from utility-owned natural gas wells.

Images and text copyright © 2005 by Ogden Publishing Corporation. Reproduction or reuse prohibited without written consent.